

U.S. HOUSE OF REPRESENTATIVES  
COMMITTEE ON AGRICULTURE  
FARM BILL HEARING  
MARCH 3, 2006  
STOCKTON, CALIFORNIA

STATEMENT OF PHILIP LOBUE, CHAIRMAN  
CALIFORNIA CITRUS MUTUAL

Good Morning Mr. Chairman, members of the committee. Thank you for the invitation and the opportunity to comment on a subject that will help establish the parameters in which an industry such as California Citrus will be producing and marketing for the next decade. The programs and guidelines developed during this year long discussion will determine how competitive our industry will be in the world marketplace.

My name is Philip LoBue and I am here wearing two hats. I am a partner in a family farming operation in which we produce oranges on approximately 1000 acres in Fresno and Tulare Counties. We also own and operate packing, shipping and marketing facilities in Lindsay & Exeter California which were started by my father and his two brothers in 1938. LoBue Brothers Inc., in addition, to packing our own fruit also coordinates packing and marketing needs for over 150 growers. We market citrus almost year round and in the aggregate pack and market over 4 million cartons of fruit. As an aside we are neither the largest nor the smallest in the industry **but we are one of the best.**

I'm also chairman for California Citrus Mutual, a citrus producer's trade association with a statewide membership of almost 2000 growers. The combined economic strength of our industry exceeds \$1.5b of oranges, lemons, mandarin varieties and other unique citrus products. I'm also appreciative of the five minute cap for statements inasmuch a specialty crop producer such as myself is less knowledgeable of farm bill components than others you will hear from over the next twelve months. Historically farm bills have been less than balanced and therefore fresh fruit and vegetable producers have had limited knowledge and therefore access to a variety of programs.

And that is my first comment committee members. This Farm Bill needs balance. This farm bill needs language that creates more opportunity to participate in the programs that heretofore have been tailored toward Midwest producers, animal ranchers and so-called major commodities. There are two ways in which this can be rectified.

One, the criteria for eligibility have been so tightly written that producers of specialty crops or citrus are not eligible. Two, the formulas for determining economic eligibility are

construed to make us ineligible. We are often classified as high value for a reason. It's not that our profits are large, it is because our costs are so much greater than traditional farm bill commodities. In fact our costs are greater than revenues for the major commodities. Thus the Adjusted Gross Income language must be addressed so that citrus producers can avail themselves of programs such as those in the Natural Resource Conservation Service (NRCS) area.

We believe that Environmental Quality Incentives Program (EQIP) and other NRCS programs need to be better funded and expanded to include greater assistance for air quality, land use, water conservation and other environmental objectives as it relates to a permanent crop such as citrus. Presently 60% of that program goes to animals with the balance significantly over subscribed. That's just wrong. We would like to see a Division of Air Quality established to focus on production adjustments in areas of non-attainment or designated poor air quality areas.

As a commodity that relies on exports for our economic well being, well over 20 percent of our production is exported; we wish to see more dollars placed in the Technical Assistance for Specialty Crops (TASC) program and a support level for the Market Access Program (MAP) program that is worthy of our collective industry. There is something wrong when our desire to export is great but figures indicating export growth are flat. To be sure part of this solution is World Trade Organization (WTO) related but trade and farm bill discussions, together as I stated earlier, will create the environment for which industries such as ours will survive, thrive or begin to demise in the coming years.

Our industry strongly believes that pest exclusion and eradication activities have suffered in the past few years. Our definition of utopia in this arena would be to allow USDA complete management of this program rather than the joint effort with the Department of Homeland Security. There are too many reports and studies that support our concern that although our borders are more secure, as farmers we are more vulnerable to invasive pest and disease today than ever before in our history. One Mediterranean fruit fly would restrict our ability to market around the country and the world. It will lead to the destruction of our Integrated Pest Management (IPM) programs and excessive use of chemicals and other crop protection tools. We cannot emphasize enough that the quality of this program and Animal Plant Health Inspection Service (APHIS) ability to eradicate in a crisis situation must be strengthened.

Today USDA/APHIS is hamstrung in its ability to commence and complete an eradication program. We support language that eliminates Office of Management & Budget (OMB) efforts

to curtail APHIS expenditures in this area. We also support an APHIS proposal that requires this division, Agricultural Research Service (ARS) and other USDA agencies to identify and prioritize threats from offshore invasive pests. This program would also require cooperative research efforts to develop environmentally sensitive mitigation and eradication steps.

Presently our industry operates in a world environment in which citrus producers worldwide receive a variety of assistance. For example, our competition in Europe receives in excess of a billion dollars in either direct assistance or program cooperative grants. Contrast that with a big zero for our industry. Certainly the world environment must be addressed in the WTO dialogues but there is no certainty as to when and how they will be concluded. Thus, it is incumbent upon our next farm bill to create a more favorable and economically viable environment for our growers. Our definition of harmonizing is that if governments around the world do not reduce their direct assistance to competitive producers than congress and USDA must create incentive type programs that help level the playing field.

We are not suggesting direct payments but a farm bill that rewards and assists producers in their efforts to export and to farm in a more environmentally sensitive manner. This farm bill must develop programs that sustain specialty crops and align the farm bill with the national priority of good nutrition that features fresh fruits and vegetables.

In closing Citrus Mutual has been part of a nationwide effort with colleagues around the country to develop comprehensive language or concepts for farm bill inclusion. That document will be forwarded in the very near term and supported by the U. S. Specialty Crop Industry. Thank you for this opportunity and you can be certain that our participation will be continuous and aggressive. We have no choice.

Committee on Agriculture  
U.S. House of Representatives  
Required Witness Disclosure Form

House Rules\* require nongovernmental witnesses to disclose the amount and source of Federal grants received since October 1, 2004.

Name: Philip LoBue  
Address: 201 S. Sweet Brier Avenue, Lindsay, CA 93247  
Telephone: (559) 562-2548  
Organization you represent (if any): \_\_\_\_\_

1. Please list any federal grants or contracts (including subgrants and subcontracts) you have received since October 1, 2004, as well as the source and the amount of each grant or contract. House Rules do **NOT** require disclosure of federal payments to individuals, such as Social Security or Medicare benefits, farm program payments, or assistance to agricultural producers:

Source: None Amount: \_\_\_\_\_

Source: \_\_\_\_\_ Amount: \_\_\_\_\_

2. If you are appearing on behalf of an organization, please list any federal grants or contracts (including subgrants and subcontracts) the organization has received since October 1, 2004, as well as the source and the amount of each grant or contract:

Source: None Amount: \_\_\_\_\_

Source: \_\_\_\_\_ Amount: \_\_\_\_\_

Please check here if this form is NOT applicable to you: \_\_\_\_\_

Signature: 

\* Rule XI, clause 2(g)(4) of the U.S. House of Representatives provides: *Each committee shall, to the greatest extent practicable, require witnesses who appear before it to submit in advance written statements of proposed testimony and to limit their initial presentations to the committee to brief summaries thereof. In the case of a witness appearing in a nongovernmental capacity, a written statement of proposed testimony shall include a curriculum vitae and a disclosure of the amount and source (by agency and program) of each Federal grant (or subgrant thereof) or contract (or subcontract thereof) received during the current fiscal year or either of the two previous fiscal years by the witness or by any entity represented by the witness.*

PLEASE ATTACH DISCLOSURE FORM TO EACH COPY OF TESTIMONY.

559 562 0072

**Committee on Agriculture  
U.S. House of Representatives  
Information Required From Non-governmental Witnesses**

House rules require non-governmental witnesses to provide their resume or biographical sketch prior to testifying. If you do not have a resume or biographical sketch available, please complete this form.

1. Name: Philip LoBue / LoBue Bros., Inc.
2. Business Address: 201 S. Sweet Brier Avenue  
Lindsay, CA 93247
3. Business Phone Number: (559) 562-2548
4. Organization you represent: California Citrus Mutual
5. Please list any occupational, employment, or work-related experience you have which add to your qualification to provide testimony before the Committee:  
President LoBue Bros., Inc.  
President LoBue Farms, Inc.  
Past President, Juice Processors Assn.  
Been involved in citrus production all my life.
6. Please list any special training, education, or professional experience you have which add to your qualifications to provide testimony before the Committee:  
B.S. Ag. Science, UC Davis 1970  
M.S. Economics N.C.S.U. 1972
7. If you are appearing on behalf of an organization, please list the capacity in which you are representing that organization, including any offices or elected positions you hold:  
California Citrus Mutual - Chairman

PLEASE ATTACH THIS FORM OR YOUR BIOGRAPHY TO EACH COPY OF TESTIMONY.